[Muhammad Sadulla Badsha Sahib] [14th March 1923

economy? It is not clear why provision is made separately under two heads, viz., 'Hindustani Translator' and 'Examiner in Hindustani', unlike the case of other translators to Government."

The hon. Mr. C. P. RAMASWAMI AYYAR :—"Mr. President, Sir, I take it that the object of this motion is to elicit information as to the way in which a pending appointment is going to be filled up. The appointment has not yet been filled up. But I can tell this House this: that there is no idea at present of appointing a European for this place, but that every effort will be made to appoint a suitably qualified Muhammadan gentleman for this place. I cannot give any further information as to the actual incumbent or the likely candidate. I trust that with this assurance my hon. friend will not press his motion."

Khan Bahadur Muhammad Sadulla Badsha Sahib did not press his motion, and it was by leave withdrawn.

DEMAND NO. 92.

Rao Sahib U. RAMA RAO :—"Mr. President, Sir, on page 69 of the Budget under the heading of 'Travelling Allowance' for the year 1922–23 Rs. 2,500 was provided, but only Rs. 500 was actually spent. In these circumstances, I see no reason for allotting Rs. 2,000 for 1923–24. So I formally move—

To reduce the allotment of Rs. 2,000 *for travelling allowance by Rs.* 1,000."

The hon. Mr. C. P. RAMASWAMI AYYAR :—"I think this is one of the motions which I shall be able to accept, because as a matter of fact only Rs. 473–12–0 was spent last year. This expenditure arose on account of the possibilities of the Translator having to attend courts and to pay for his attendance. I have great pleasure in accepting this motion."

The motion was put and carried.

Demand IX—General Administration for Rs. 4·63 lakhs minus the reductions made was put to the House and carried; and the grant was made.

The House then adjourned at 4–55 p.m. to meet again at 11 a.m. on Thursday, the 15th March 1923.

L. D. SWAMIKANNU,
Secretary to the Legislative Council.

APPENDIX

[Vide page 2305 supra.]

NOTIFICATION.

Fort St. George, February 5, 1923 [*G.O. No.* 410, *Law* (*General*)].

No. 125.—The following Press Communiqué will be issued :—

At its meeting held on the 14th September 1922, the Legislative Council passed the following resolution :—

"This Council recommends to the Government to increase the number of Government audit certificate-holders by granting certificates as hitherto done to men of experience in auditing accounts of firms."

2. With the introduction of the Indian Companies Act, 1913, the necessity for creating a class of auditors qualified to audit the accounts of companies arose,

and as this class of men had yet to be brought into being, certificates were issued under certain conditions, mostly for short periods, as a temporary expedient, to persons who desired to take to the profession of auditing either as a primary or secondary occupation in life. Later, with the object of providing facilities for the study of, and training in, higher accountancy, an Institute of Commerce was established in Madras. It was also decided that the Sydenham College of Commerce and Economics, Bombay, should be utilized as a central examining body for candidates studying in the institution and for those who desired to enter this profession. Two years after the opening of the institute rules were promulgated prescribing the qualifications which would render candidates eligible for the grant by Government of certificates for auditing. Under them permanent unrestricted certificates could be granted only to holders of the Government diploma in Accountancy granted by the Government of Bombay and restricted certificates to those already holding temporary certificates.

3. In 1921 the Government being satisfied that a sufficient number of qualified men had come into the field resolved to put a stop to the tentative arrangement made to meet the needs of companies during the transition period. As in the meanwhile some of the persons who had been granted temporary certificates had seriously taken to auditing as a profession, the Government took stock of the total number of companies to be served and the number of auditors that were necessary for their audit and issued restricted certificates without any restriction as to time to certain men who were considered competent by long experience and who had become full-time auditors and in several cases commanded a large practice. The system of issuing fresh certificates to unqualified men has been stopped for the last two years.

4. In the course of the debate in Council much stress was laid by the supporters of the resolution on the paucity of certified auditors and the consequent high rates of fees charged by the men available. With reference to this resolution the Government have made further investigations into the matter and have enquired about the state of affairs in some of the sister provinces, e.g., Bombay and Bengal. The Government have come to the conclusion that there is no dearth of auditors in Madras so far as the requirements of companies are concerned and that as a matter of fact no serious complaint has up till now been received about the paucity of men required for the purpose of audit. It must further be borne in mind in this connexion that a large number of companies in this Presidency fall under the class of nidhis small concerns giving comparatively little work to auditors, and the enquiry has elicited the fact that it is these nidhis and companies without share capital, most of which are associations not for profit that need the services of such auditors as can conduct the work of auditing at a small cost. The Government have given the subject their careful consideration and believe that they will not be justified in adding to the number of auditors by issuing fresh certificates to unqualified men inasmuch as this would result in prejudicially affecting the profession of auditors and would be unfair to those who have taken to auditing as their profession. It has further been ascertained that no fresh certificates are now being granted in the other provinces mentioned above except to qualified men.

5. As regards the heaviness of the fees charged, the Government understand that the high rate is partly due to the general rise in prices and partly to the fact that the certified auditors are generally employed in the preparation of accounts and balance sheets, instead of being restricted to the duty of auditing balance sheets.

6. In these circumstances, the Government regret that they are unable to see their way to give effect to the resolution of the Council.

P. L. Moore,
Acting Secretary to Government.